GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:81
ANSWERED ON:23.11.2001
EFFECT ON TRADE WITH USA DUE TO TERRORIST ATTACK
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) whether India`s export to USA and other countries has been affected adversely after the terrorist attack on USA on September, 11, 2001; (

(b) if so, the extent to which India`s export to USA in particular and to other countries in general has declined after terrorist attack, indicating the actual value of export made since then; (

(c) the industries whose export has been adversely affected and overall impact on Indian trade balance; (

(d) whether there would be any shortfall in achieving the export target set for 2001-2002 due to uncertainties of US - Afghanistan war; (

(e) if so, whether the Government have formulated any new strategy to maintain the country`s trade balance, to boost the export and also to help the affected exporters and industries keeping in view the existing US-Afghan war situation; and (

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b), (c), (d), (e) & (f) OF LOK SABHA STARRED QUESTION NO. 8 BE ANSWERED ON 23.11.2001 REGARADING EFFECT ON TRADE WITH USA DUE TO TERRORIST ATTACK BY SHF SINGH AND SHRI SADASHIVRAO DADOBA MANDLIK.

(a), (b), (c) & (d) : Yes, Sir. India`s exports to many destinations including USA has been affected due to the September events.

The value of India`s export of merchandise goods during September, 2001 at US $ 3516.77 millionis lower by 8.61% compared to the corresponding period of the previous year. Trade deficit for September, 2001 is at US $ -669.10 million as compared to -399.66 in September, 2000.

While the impact has been felt on most of the sectors, sectors like Gems & Jewellery andTextiles have been adversely affected particularly in the US market.

(e) & (f) : Several measures to boost exports have been taken in order to provide competitive edge to Indian goods in the global market. Some of the recent measures taken to promote exports include reduction in the export credit rate for both pre-shipment and post-shipment, special financial package to manufacturer exporters with a export contract of Rs. 100 crores or above for a period of one year from October 2001, extension of normal repatriation period from 180 days to 360 days for exports made to Latin American countries for a period of one year and upward revision of duty drawback rates on a number of product groups. Export performance is constantly being monitored and measures are being taken to reduce the trade deficit.